



STATE OF CONNECTICUT NEWS RELEASE

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OFFICE OF CONSUMER COUNSEL SUPPORTS DPUC DRAFT DECISION FOR INTERIM RATE DECREASE FOR CONNECTICUT NATURAL GAS CUSTOMERS

(July 25, 2008-New Britain) - The State of Connecticut Office of Consumer Counsel (OCC) is pleased with today's Draft Decision issued by the Department of Public Utility Control (DPUC), which orders, in draft, an interim rate decrease for Connecticut Natural Gas (CNG) customers, in the amount of \$15.5 million over 12 months.

In a brief filed on July 16, OCC made the recommendation to the DPUC that it order an interim rate decrease for the customers of CNG in the approximate amount of \$15.5 million, which equals \$0.0617 per CCF. The amount would equalize recent income results with approved rates and would provide a reduction of approximately \$60 per residential customer this year. An interim rate decrease would provide needed and appropriate rate relief to customers while still being consistent with the CNG rate settlement approved by the DPUC last year.

OCC notes for clarity that there is a difference between over-earning and over-charging. CNG is not accused in this matter of over-charging customers; rather, the approved rates that they charged customers led to overearnings due to changed circumstances. Still, it is appropriate now to remedy the situation. The company was authorized by the DPUC to receive a 10.1% return on equity, but of late has been earning 14-15% on equity. The Draft would alleviate this overearnings situation on a going-forward basis.

Consumer Counsel Mary J. Healey said that "I am pleased to see that the Department has taken a step toward remedying this issue. This interim rate decrease would bring assistance to ratepayers and would be an appropriate solution to this overearnings issue."

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The Office of Consumer Counsel (OCC) is the State of Connecticut's advocate for all utility ratepayers. OCC seeks to ensure just and reasonable rates and reliable utility service for customers of Connecticut's electric, gas, telephone, and water utilities and reasonable protection for cable television customers. For more information, visit www.ct.gov/occ.